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No. 84-1258

IN THE

Supreme Court of the United States

October Term, 1984

CHEMICAL BANK and
WASHINGTON PUBLIC POWER SUPPLY SYSTEM,

Petitioners,

v.

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON, *et al.*,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE SUPREME COURT OF THE STATE OF WASHINGTON

BRIEF FOR THE STATE OF NORTH CAROLINA AS *AMICUS CURIAE* IN SUPPORT OF THE PETITION

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April 5, 1985

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The State of North Carolina submits this brief as *amicus curiae* in support of the petition. The controversy and doubt that the Washington Supreme Court's decision has fostered threatens the efficient functioning of national credit markets on which this State and its local governmental agencies rely to fund important public projects. More generally, that decision may undercut the shared confidence essential to unfettered trade among the several states. Such confidence would naturally be diminished if local governmental entities could procure funds lent in good faith by citizens of this and other States and then, to protect their own constituents

from increased costs, simply renounce any obligation to repay their loans.

We have studied the opinions of the Supreme Court of the State of Washington in this case. We have also studied the petition for certiorari, the opposition brief of the respondents constituting the Washington Public Utilities Group, and the *amicus curiae* briefs of the American Association of Retired Persons; the American Bankers Association, the New York Clearing House Association, and the Securities Industry Association; the Public Securities Association; Salomon Brothers Inc., Smith Barney, Harris Upham & Co. Incorporated, Prudential-Bache Securities Inc., and Merrill Lynch, Pierce, Fenner and Smith, Incorporated; and the City of Seattle, Washington.

Our review of these papers convinces us that this case presents important Federal issues bearing on the stability and efficient functioning of interstate credit markets and on the due process and property rights of current and potential participants in those markets. We believe this Court should hear and determine those issues.

CONCLUSION

For the foregoing reasons, the petition for certiorari should be granted.

Respectfully submitted,

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April 5, 1985

CERTIFICATE OF SERVICE

This is to certify that three (3) true and correct copies of the foregoing Petition for Certiorari has been served upon the following by depositing three (3) copies of the same in the United States Mail, postage prepaid, addressed to:

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